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SUBJECT: ECONOMIC ISSUES CHIP AWAY AT ETHNIC LOYALTY OF LATVIAN

VOTERS

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11. (SBU) Summary: Economic and social issues, particularly unemployment, will be foremost in voters' minds in the coming election. Some observers note that even though voters will remain conscious of tensions between traditionally ethnic-Russian and ethnic-Latvian parties, the role of ethnicity is diminishing. Some parties, notably Latvia's First Party (LPP) and the predominately Russian Harmony Center (SC) are attempting to capitalize on voters' willingness to support a party identified with the other ethnic group. End summary.

Ethnic identity less critical at the ballot box

- 12. (SBU) Ethnic identity has long been the key determining factor in Latvians' voting patterns. However, analysts are reaching a consensus that the Latvian economy, mired in a years-long recession, may catalyze some voters to look beyond ethnic divisions. Viktors Makarovs, Director of Eurocivitas policy center, notes that ethnic allegiance is no longer the most important issue anymore for either Latvian-speaking or Russian-speaking voters.
- 13. (SBU) Over recent years, the attitudes of the left-leaning, Russian-speaking parties, as well as their traditional base, have become more moderate. Generational change has driven this moderation, but integration policies including Latvian-language instruction in classrooms and some encouragement of naturalization may also have contributed. Today Latvia has a functioning multi-cultural society, and ethnicity does not cause extensive friction in day-to-day affairs.
- 14. (SBU) Two trends have appeared in the last five years first, an "ethnic equilibrium"" has appeared, a state which neither of the groups enjoys but neither dislikes enough to change. Ethnically charged topics are losing their effectiveness as political fuel: voters have begun to dismiss parties that blatantly attempt to play the ethnic card. Makarovs believes that voters will increasingly consider voting outside their ethnic bloc, accepting a coalition with a party from the other bloc, or including a candidate with a different ethnic background in their party list. A 2009 Eurocivitas study concluded that close to 20% of Russian speakers would vote for a predominantly ethnic Latvian party if they thought it would consider the interests of Russian speakers.

But there are limits to progress

15. (SBU) Although diminished, a real divide continues to affect voters' attitudes and choices. To some extent this is due to the parties themselves, which have used ethnic concerns to rally their base. Negative stereotypes remain, along with differences in opinion about specific policies - particularly surrounding language requirements in schools and workplaces. As a result, only a small portion of voters have crossed the ethnic line so far.

16. (SBU) Neither the ethnic-Russian nor the ethnic-Latvian parties market themselves with the opposite ethnic group, and remain largely concerned with their own audiences and communicate through media in their own language. Among the major Latvian parties, all generally considered right-of-center, Latvia's First Party/Latvia's Way (LPP/LC) is the only party that has announced that it will purposefully add prominent Russian speakers to its list in hopes of attracting Russian voters. Some observers see the Latvian parties' resistance as stubborn. However, LPP/LC's multi-ethnic marketing in last year's local elections yielded disappointing results.

An opportunity for Harmony Center?

- 17. (SBU) Harmony Center (SC) is the most prominent party associated with Russian-speaking voters. A significant percentage of Russian-speaking voters will either vote only for Harmony Center or not at all. Analysts see potential for SC voters to support a more ""ethnically moderate" Latvian party, although at the moment most of the Latvian parties are unpopular even among ethnic Latvians, let alone ethnic Russians.
- 18. (SBU) For their part, SC has tried to capitalize on this more agreeable tone. Attempts by Harmony Center to reconcile with Latvian voters (such as the visit of the Riga mayor Nils Usakovs to the Occupation Museum, which documents Latvia's 50-year Soviet period) have not been met with the kind of resentment from Russian-speakers as they might have been several years ago. Arnis Kaktins, from SKDS research center, notes that Harmony Center could attract more Latvian votes, but only if it exploits the issues of unemployment and the economic ailments of the country. The only explicitly left-wing ethnic Latvian party, the Social Democratic Worker's party, has been plagued Qpoor leadership, low morale and lagging poll numbers.

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¶9. (SBU) Many analysts note, however, that Harmony Center is still largely perceived as an agent of Russian interests in Latvia and not a European-style social democratic party. A cooperation agreement signed in November 2009 between the Russia-based United Russia party and SC reinforced this perception. This identification will limit their appeal among ethnic Latvians, despite economic problems and SC's generous social platform. SC has frequently trumpeted its multicultural character, but the proportion of ethnic Latvians voting for them has not increased visibly – SC claim that up to 30% of their voters are of Latvian ethnicity, while according to pollster Latvijas Fakti, it is actually less than 10%. Others, such as Kaktins, offer estimates of as low as five percent.

Space for Fringe Parties to Exploit?

- 110. (SBU) One cause for concern is the continued possibility of fringe parties stoking ethnic confrontations. March 16 (a day used to commemorate largely-conscripted Latvian units that fought with the Nazis against Soviets in World War II) and May 9 (commemorating the Soviet victory over the Nazis) have typically been used by some groups to escalate ethnic tension and raise their profile. In early February an anonymous website published the names and personal codes (similar to Social Security numbers) of the "Occupiers" who had used Russian national symbols to decorate their vehicles. The incident sparked a wide reaction in the Russian language media, and fear of a backlash from the Russian community. Such incidents could stir ethnic tensions, political observers believe. The second-most-popular Russian speakers' party, PCTVL, is prone to using the "ethnic card" to draw a hard-core of Russian speakers' votes away from Harmony Center. While these attempts may stir up some trouble, they are unlikely to prove politically decisive.
- 111. (SBU) COMMENT: There are few positive results arising from Latvia's disastrous economic decline over the last two years. However, the experience may drive both residents on both sides to begin to look beyond their ethnic identity and vote on the basis of economic policy. While we do not see the problem evaporating overnight, current circumstances may provide an opportunity to break

down some barriers. If SC does a creditable job of exploiting this opportunity, expressing alternate policies well, or even adopting a non-ethnic Russian as a Prime Ministerial candidate, it could find itself in a governing coalition.

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